

SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

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April 3, 2008

Ms. Patricia Van Gerpen South Dakota PUC, Executive Director 500 E. Capitol Pierre, SD 57501

Re: Montana-Dakota Utilities, Gas Distribution Incident

Dear Ms. Van Gerpen:

On February 20, 2008 on Airport Road in Pierre, South Dakota an incident involving gas loss and a fire occurred at the town border station on the Montana Dakota natural gas distribution system. The occurrence meets the US Code definition of a reportable incident under 49 CFR 191.3, thus giving the PUC pipeline safety program jurisdiction, due to the gas loss and monetary loss incurred by the operator. PUC pipeline safety staff will continue to investigate this incident according to SDCL 49-34B. Upon completion of commission staff's pipeline safety investigation, a report will be filed for Commission approval. Staff requests at this time, however, a docket be opened for future filings related to this incident.

Thank you,

Kara Semmler

cc.

Scott Besmer and Pat Darras, Montana-Dakota Utilities